YDP status

Progress continues on all aspects of plant readiness

Design deficiencies

- Several will be completed shortly
- Remainder are in real work plans

Contract separation

- Provides flexibility for the future
- Allows current focus

Environmental permitting

- Constituent perspectives are known
- Supplemental EIS initiated

Technology retrofitting

- Some savings may result
- Experts are assisting



Resolution of Design Deficiencies

Complete plant physical infrastructure Replace Tecan diluter

Install electro chlorination system for PS1

Install MODE II blend system

Replace high pressure pump discharge valves and actuators

Upgrade plant air system

Replace high pressure RO pumps

Construct third sludge disposal stage

Replace control block isolation valves and actuators

Install clearwell pH control system

Replace element storage biocide system

Replace production plant SDI equipment

Replace test train SDI equipment

Install chlorine containment system

Access and repair coating on SCR1

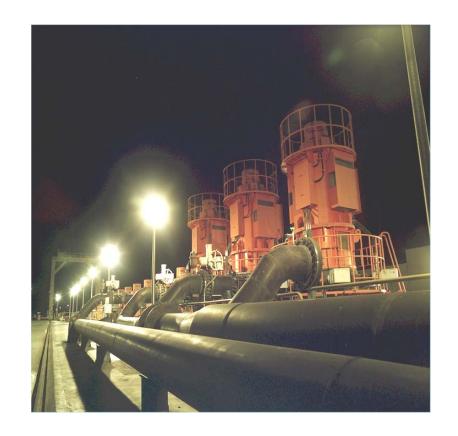
Replace plant ammonia system

Replace failed segment of ERU reject piping

YDP Contract Status

Contract approach is being changed

- Need ability to adjust levels of readiness in the production plant
- Need to separate research and readiness aspects
- Need to be able to direct the hours of work according to changing needs



Plant Environmental Compliance

- Determination is complete for compliance needs
 - Aquifer protection
 - Hazardous waste generator
 - EIS / NEPA
 - Aquifer protection no action required unless expand disposal cells
 - ✓ Hazardous waste no action required until near full capacity operation
 - √ Supplemental EIS required and has been initiated



Evaluation of Technology Retrofitting

- Existing plant technology is entirely viable
- Selective retrofitting is being closely analyzed for possible gains associated with lower operating costs
 - Includes both pretreatment and RO portions of the plant
 - Includes all the technologies "you have read about"
 - Analysis includes desalination experts

